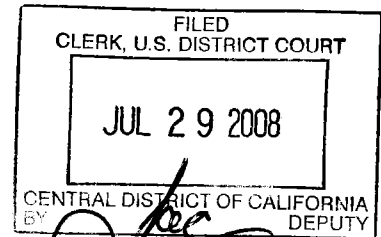


JS-6



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Kevin R. Lussier (State Bar No. 143821)
BERRY & PERKINS
A Professional Corporation
2049 Century Park East, Suite 950
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Tel. (310) 557-8989
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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

CHANEL, INC.,)	Civil Action No.:
)	2:08-CV-02903 DDP (SSX)
)	
Plaintiff,)	FINAL ORDER ON
v.)	CONSENT FOR
)	PERMANENT INJUNCTION
PERFUME SOURCE, INC.,)	AND MONETARY RELIEF
MAHYAR RABBANIAN)	AGAINST DEFENDANTS
and JOHN DOES 1-10)	PERFUME SOURCE, INC.,
)	AND MAHYAR RABBANIAN
Defendants.)	

Plaintiff Chanel, Inc. ("Plaintiff" or "Chanel") and Defendants Perfume Source, Inc. ("Perfume Source") and Mahyar Rabbanian ("Rabbanian"; together with Perfume Source, the "Defendants") stipulate and consent to the following:

WHEREAS, Chanel has been using the trademarks CHANEL, CHANCE, COCO MADEMOISELLE, COCO, and the CC Monogram (collectively the "Chanel Trademarks") on and in connection with fragrances and fragranced beauty products, and owns U.S. federal trademark registrations for such marks in connection with such goods;

1 WHEREAS, COCO MADEMOISELLE is bottled in a distinctive bottle
2 whose shape and stopper design are both the subject of valid U.S. federal trademark
3 registrations (the "Bottle Trademarks");

4 WHEREAS, Chanel bottles its CHANCE fragrance in a dispenser that is the
5 subject of U.S. Design Patent Registration No. D 471086, which design patent is
6 valid, subsisting and in full force and effect (the "Dispenser Patent");

7 WHEREAS, the CHANCE fragrance of Chanel is packaged in a distinctive
8 box used since 1995 consisting of a hot pink front and back panel with champagne
9 gold sides and top panels together with the words "CHANCE" and "CHANEL" in
10 block capitals with CHANCE in reflective lettering and CHANEL beneath it in black
11 lettering (the "CHANCE Box Trade Dress");

12 WHEREAS, CHANCE fragrances are sold in a distinctive clear round bottle
13 with a metal band encircling the outside of the bottle, a square stopper with the CC
14 Monogram embossed on the top and the name CHANCE CHANEL centered on the
15 front of the bottle with CHANCE in a metallic print and CHANEL in block print
16 appearing directly below the CHANCE mark (the "Chance Bottle Trade Dress");

17 WHEREAS, COCO MADEMOISELLE fragrances are packaged in a
18 distinctive pearl white box with a gold border on the top and bottom of the box and
19 the words COCO MADEMOISELLE in block capital letters, one beneath the other,
20 followed by the words "Chanel" and "Paris" (the "COCO Box Trade Dress");

21 WHEREAS, the Defendants have imported, distributed, advertised, promoted,
22 offered for sale and sold the fragrance products shown in Exhibit A in bottles and
23 using stoppers that are counterfeits of the Bottle Trademarks and that were sold
24 under marks or in packaging that intentionally infringe on the Chanel Trademarks,
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1 the Bottle Trademarks, the Dispenser Patent, the CHANCE Box Trade Dress, and the
2 COCO Box Trade Dress (collectively the "Chanel Indicia" shown in Exhibit B);

3 WHEREAS, Chanel commenced this action on May 2, 2008 by filing the
4 complaint herein against the Defendants and John Does 1-10, charging them with
5 trademark infringement under Section 32(1) of the United States Trademark Act of
6 1946 as amended (the "Lanham Act"), 15 U.S.C. § 1114(1); trademark
7 counterfeiting under § 34(d) of the Lanham Act, 15 U.S.C. § 1116(d); design patent
8 infringement under § 271 of the Patent Act, 35 U.S.C. § 271; trade dress
9 infringement, false designation of origin, unfair competition, and false advertising
10 under § 43(a) of the Lanham Act, 15 U.S.C. § 1125(a); trademark infringement and
11 unfair competition under the common law and under California State Law, Cal. Bus.
12 & Prof. Code § 17200, et seq. (the "Civil Action"), which claims arise out of
13 Defendants' copying and infringement of the Chanel Indicia;

14 WHEREAS, each of Perfume Source and Rabbanian were duly served with
15 the Complaint, have acknowledged service and have appeared in this action through
16 counsel;

17 WHEREAS, Perfume Source and Rabbanian each have agreed to enter into
18 this Final Order on Consent for Permanent Injunction and Monetary Relief;

19 NOW THEREFORE IT IS HEREBY ORDERED, ADJUDGED AND
20 DECREED as follows:

21 1. This Court has jurisdiction over the subject matter of the Civil Action
22 and personal jurisdiction over each of the Defendants.

23 2. In connection with the entry of this Order, Defendants have jointly and
24 severally made the following representations which are material terms of and form
25 the basis for entry into this Order and upon which Chanel and the Court have relied:
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1 (a) As of May 17, 2008, Defendants, jointly and severally, and each
2 of their employees, servants, affiliates, agents, licensees and any entities owned or
3 controlled in whole or in part by either of the Defendants and all those in active
4 concert and participation with any of the Defendants have permanently ceased and
5 discontinued the display, advertising, offering for sale and sale of any of the products
6 shown in Exhibit A and have further permanently ceased and discontinued any and
7 all use of the Chanel Indicia on or in connection with any product other than genuine
8 Chanel product and have otherwise ceased all use of any phonetic equivalent or
9 confusingly similar variant of any of the Chanel Indicia or any other names, marks,
10 designs, packaging or trade dress that are intended to called to mind or be associated
11 with Chanel or any of its goods;

12 (b) As of the execution of this Order, the Defendants had no
13 outstanding orders for products bearing or sold under the Chanel Indicia or for any of
14 the goods shown in Exhibit A;

15 (c) Other than the products shown in Exhibit A, Defendants have not
16 imported, displayed, advertised, offered for sale or sold any other products that are
17 intended to copy, simulate or otherwise be imitations of any fragrance sold or offered
18 for sale by Chanel or that otherwise bear any unauthorized copy or simulation of any
19 of the Chanel Indicia;

20 (d) As of their execution of this Order, Defendants had in their
21 possession or control the following inventory of products shown in Exhibit A:
22 approximately 1500 units of CHANGE and 500 units of COOC.;

23 (e) Defendants obtained the products shown in Exhibit A from Luca
24 Bossi, 11#, YIDONG Industry Area Wuyan Road, Zip: 322000, Tel: 86-0579—
25 85166915, 85166913, Fax +86-579-85072530;

26 (f) Defendants purchased the products shown in Exhibit A over the
27 period January 2007 to February 2007. With respect to the product called
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1 CHANGE, Defendants purchased approximately 5000 units of product, disposed of
2 3500 units, have 1500 units in inventory and made a gross profit of approximately
3 \$6125.00. With respect to the product COOC MADEMOISELLE, Defendants
4 purchased approximately 5000 units of product, disposed of 4500 units, have 500
5 units in inventory and made a gross profit of approximately \$7875.00;

6 (g) Defendants have permanently discontinued all importation,
7 distribution, advertising, marketing, offering for sale and sale of the products bearing
8 the Chanel Indicia (except for genuine goods) and the products shown in Exhibit A;

9 (h) Defendants acknowledge that the Court has jurisdiction over
10 them to enter and enforce this Order against them; Defendants consent to entry of
11 this Order; and Defendants each have the legal capacity to enter into this Order and
12 to carry out all obligations and requirements herein.

13 3. Defendants' importation, advertising, display, offering for sale and sale
14 of the products shown in Exhibit A violate Chanel's rights in its trademarks, design
15 patents and trade dress. Defendants' misuse of the Chanel Indicia or variants thereof
16 including its sale of the products shown in Exhibit A is likely to cause confusion, or
17 to cause mistake or to deceive consumers into believing that such goods originate
18 from, are affiliated or associated with or are sponsored or approved by Chanel in
19 violation of 15 U.S.C. §§ 1114(1), 1125(a), California Bus. & Prof. Code § 17200,
20 and the common law. Defendants' actions further constitute use of counterfeits of
21 the Bottle Trademarks pursuant to 15 U.S.C. § 1116(d) and design patent
22 infringement in violation of 35 U.S.C. § 271.

23 4. Based on Defendants' use of the Chanel Indicia and its violations of the
24 law, the Court orders that Defendants, jointly and severally, shall pay to Chanel the
25 sum of \$25,000. Payment shall be made by wire transfer or certified check
26 contemporaneously with Defendants' execution of this Order. Defendants shall
27 ensure that there are sufficient funds in the bank account from which the wire
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1 transfer is sent such that payment clears. Should Defendants fail to provide the
2 payment required herein or should any funds not clear, Defendants shall be deemed
3 jointly and severally in contempt of this Order.

4 5. The Defendants jointly and severally, and each of their respective
5 officers, directors, servants, employees, agents, privies, shareholders, principals,
6 licensees, attorneys, successors, affiliates, parents, subsidiaries, assigns, heirs and
7 designees and any and all persons in active concert or participation with any of them
8 and any entity owned or controlled by any of the Defendants now or in the future
9 who receive notice of this Order directly or otherwise, are hereby permanently
10 enjoined and forever restrained from:

11 (a) importing, ordering, purchasing, manufacturing, arranging for the
12 manufacture, displaying, promoting, advertising, distributing, offering for sale, or
13 selling any of the goods shown in Exhibit A;

14 (b) imitating, copying, or making unauthorized use of any of the
15 Chanel Indicia, or any variation, simulation or colorable imitations thereof or any
16 other patents, trademarks or trade dress owned by Plaintiff other than in connection
17 with the sale of genuine Chanel product;

18 (c) importing, manufacturing, producing, using, distributing,
19 circulating, advertising, selling, offering for sale, promoting, or displaying any
20 product bearing any simulation, reproduction, counterfeit, copy, or colorable
21 imitation of any of the Chanel Indicia other than genuine Chanel product;

22 (d) using any simulation, reproduction, counterfeit, copy, or
23 colorable imitation of any of the Chanel Indicia, any mark or trade dress confusingly
24 similar thereto, in connection with the importation, promotion, advertisement,
25 display, sale, offering for sale, manufacture, production, circulation, or distribution
26 of any product other than genuine Chanel product;

1 (e) using any false designation of origin or false description
2 (including, without limitation, any letters or symbols), or performing any act other
3 than selling genuine Chanel product, that can, or is likely to, lead members of the
4 trade or public to believe that Defendants are associated with Chanel or that any
5 product imported, manufactured, distributed, advertised, displayed, promoted,
6 offered for sale, or sold by Defendants is in any manner associated or connected with
7 Chanel, is genuine product of Chanel, or is authorized, licensed, sponsored or
8 otherwise approved by Chanel;

9 (f) transferring, consigning, selling, shipping, or otherwise moving
10 any of the goods shown in Exhibit A;

11 (g) disposing, destroying, altering, moving, removing, concealing,
12 tampering with, or in any manner secreting any business records (including computer
13 records) of any kind including invoices, correspondence, books of account, receipts,
14 or other documentation relating or referring in any manner to the manufacture,
15 advertising, receiving, acquisition, importation, promotion, display, purchase, sale,
16 offer for sale or distribution of any of the goods shown in Exhibit A;

17 (h) engaging in any other activity constituting unfair competition
18 with Chanel, or constituting an infringement of any of the Chanel Indicia;

19 (i) instructing, assisting, aiding or abetting any other person or
20 business entity in engaging in or performing any of the activities referred to in
21 subparagraphs (a) through (h) above.

22 6. Defendants shall deliver up to Chanel's attorney for destruction all
23 remaining inventory of products shown in Exhibit A and any other products bearing
24 any unauthorized copies, imitations or colorable simulations of any of the Chanel
25 Indicia together with all tags, signs, packaging, wrappers, promotional and
26 marketing materials, advertisements and other materials relating thereto (a) currently
27 in their possession or under their control or (b) recalled by Defendants pursuant to
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1 any Order of the Court or otherwise, and permitting Chanel to destroy such materials
2 without compensation to Defendants.

3 7. Defendants shall issue a notice of recall to all retailers, wholesalers,
4 resellers or distributors to whom they have sold 5 or more units of any of the goods
5 shown in Exhibit A asking for the return of such goods. Defendants shall bear all
6 costs of the recall including reimbursing any purchasers the purchase price. Copies
7 of the notices shall be sent to Chanel at the same time they are sent out by
8 Defendants which shall be no later than 5 business days after Defendants' execution
9 of this Order. All items returned to Defendants shall be turned over to Chanel
10 pursuant to paragraph 6 above.

11 8. Defendants shall make available to Chanel for review, inspection and
12 copying, all books, records (including all hard drives on computers used for business
13 purposes, including servers, as well as all computer discs and backup discs) and
14 other documents concerning all transactions relating to the importation, promotion,
15 advertising, display, offering for sale, or sale of the products shown in Exhibit A or
16 any other product incorporating or bearing an unauthorized copy or imitation of, or
17 that is confusingly similar to any of the Chanel Indicia, and provide Chanel the
18 names, addresses and all other contact information in their possession, including
19 telephone and fax numbers for (a) the source of such products including all
20 manufacturers, distributors and/or suppliers, and (b) all retailers, wholesalers,
21 distributors or resellers to whom Defendants have sold, distributed or supplied such
22 products.

23 9. Defendants are directed to provide to Chanel with their executed copy
24 of this Order, copies of all invoices, receipts or other similar materials relating to
25 their purchase, and sale of the goods shown in Exhibit A, as well as documents
26 sufficient to identify the source or manufacturer of such goods and any retailer,
27 wholesaler, distributor or reseller to whom the goods were sold.

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1 10. Each of the Defendants shall provide reasonable assistance to Chanel in
2 the event Chanel pursues legal action against any source or manufacturer of the
3 goods shown in Exhibit A or any retailers, wholesalers, resellers or distributors to
4 whom Defendants sold such goods. Such action may include, but is not limited to,
5 turning over business records as requested by Chanel or giving testimony at
6 deposition or trial. Neither of the Defendants shall take any action that could hinder
7 any claims against their source or customers and neither Defendant shall contact
8 their source or customers.

9 11. Should Perfume Source or Rabbanian violate any provision of this
10 Order, including the requirement for monetary payment, Chanel shall be entitled, in
11 addition to all relief under 18 U.S.C. § 401, *et seq.* for contempt of a Court Order,
12 including costs and reasonable attorneys' fees, to the following relief and remedies:

13 (a) to the extent Defendants fail to make payment to Chanel pursuant
14 to Paragraph 4 above, Defendants shall be ordered to pay to Chanel all monetary
15 relief outstanding, together with interest which shall accrue from the date payment is
16 due under the terms of this Order, any penalties or damages assessed by any bank in
17 connection with the processing of any payments and reimbursement of all of
18 Chanel's attorneys' fees incurred in connection with obtaining the required payment;

19 (b) to the extent any Defendant uses a counterfeit of any of the
20 Chanel Indicia, the Defendant(s) found to be using such counterfeits shall pay to
21 Chanel \$50,000 for each different product being sold that includes, bears or is sold
22 under any Counterfeit Indicia;

23 (c) to the extent any Defendant promotes, manufactures, distributes,
24 markets, sells or offers for sale any item that infringes on any of the Chanel Indicia,
25 that Defendant shall pay three times its gross profit from the sale of such items
26 bearing or sold under the indicia, whichever is greater;

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1 (d) all of Chanel's costs and attorneys' fees incurred in connection
2 with bringing any action for violation of this Judgment;

3 (e) all investigation costs incurred by Chanel in learning of and
4 assessing the breach.

5 The remedies set forth above are in addition to any other contempt remedies to be
6 determined by the Court, which may include additional fines and seizure of property.

7 12. This Order is in full settlement of all claims asserted in the Civil Action,
8 all relief and remedies requested in the Civil Act, and all defenses and counterclaims
9 that were or could have been asserted by the Defendants in the Civil Action and all
10 relief and remedies requested or that could have been requested by Defendants, and
11 shall constitute a final adjudication on the merits as to any such claims,
12 counterclaims and defenses.

13 13. The parties to this Order waive all right to appeal from entry of this
14 Order.

15 14. The Defendants shall each file with the Court and serve upon Plaintiff's
16 counsel within 30 days after entry of this Order a report in writing under oath,
17 affirming compliance with the terms of this Order.

18 15. This Order shall resolve only those claims and demands that were
19 asserted in the instant action against the Defendants, as well as those claims that
20 could have been asserted but were not. Nothing herein shall prohibit Chanel from
21 bringing any action against the Defendants, individually or collectively, based on any
22 name or mark that is not the subject of this Order.

23 16. The Defendants each acknowledge that they have obtained advice of
24 counsel with respect to this Order. The Defendants each further acknowledge that
25 their decision to enter into this Agreement was not influenced by any promises,
26 representations, or statements made by Plaintiff or anyone acting on its behalf other
27 than those set forth in this Order.
28

1 17. This Court shall retain jurisdiction over this matter and the parties to it
2 to enforce the terms of the Order and for purposes of making any other orders
3 necessary to implement the terms of this Order and to punish or award damages for
4 violation thereof.

5 18. By their signatures and acknowledgments below, the parties understand
6 and agree to be bound by the terms of this Order.

7 19. This Order is a final Order.

8
9 Dated: Los Angeles, California
July 29, 2008

11 SO ORDERED:

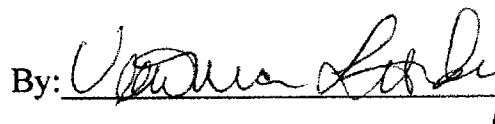
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13 _____

14 Dean D. Pregerson
15 United States District Judge

16 STIPULATED AND AGREED:

17
18 Dated: New York, New York
19 July 8, 2008

CHANEL, INC.

20 By: 
21 _____

22 Name: VERONICA L. Hardy

23 Title: Vice President - General
24 COUNSEL

1 Dated: Los Angeles California
2 July 15, 2008

PERFUME SOURCE, INC.

3 By: [Signature]

4 Name: MAHYAR RABBANIAN

5 Title: OWNER

6
7
8 Dated: Los Angeles California
9 July 15, 2008

MAHYAR RABBANIAN

10 By: [Signature]

11
12
13
14 Approved as to Form:

15
16 Dated: Beverly Hills, California
17 July 15, 2008

LAW OFFICES OF SEPEHR
DAGHIGHIAN

18 By: [Signature]

19 Sepehr Daghighian

20 433 North Camden Drive, Fourth Floor

21 Beverly Hills, California 90210

22 Tel: (310) 887-1333


23 Fax: (310) 887-1334

24 Email: sepehr@daghighian.com

25 *Attorney for Defendants, Perfume Source,*
26 *Inc. and Mahyar Rabbanian*

1 Dated: Beverly Hill, California
2 July 21, 2008

BERRY & PERKINS

3 By: 

4 Kevin Lussier

5 2049 Century Park East, Suite 950

6 Los Angeles, California 90067-3134

7 Tel: (310) 557-8989

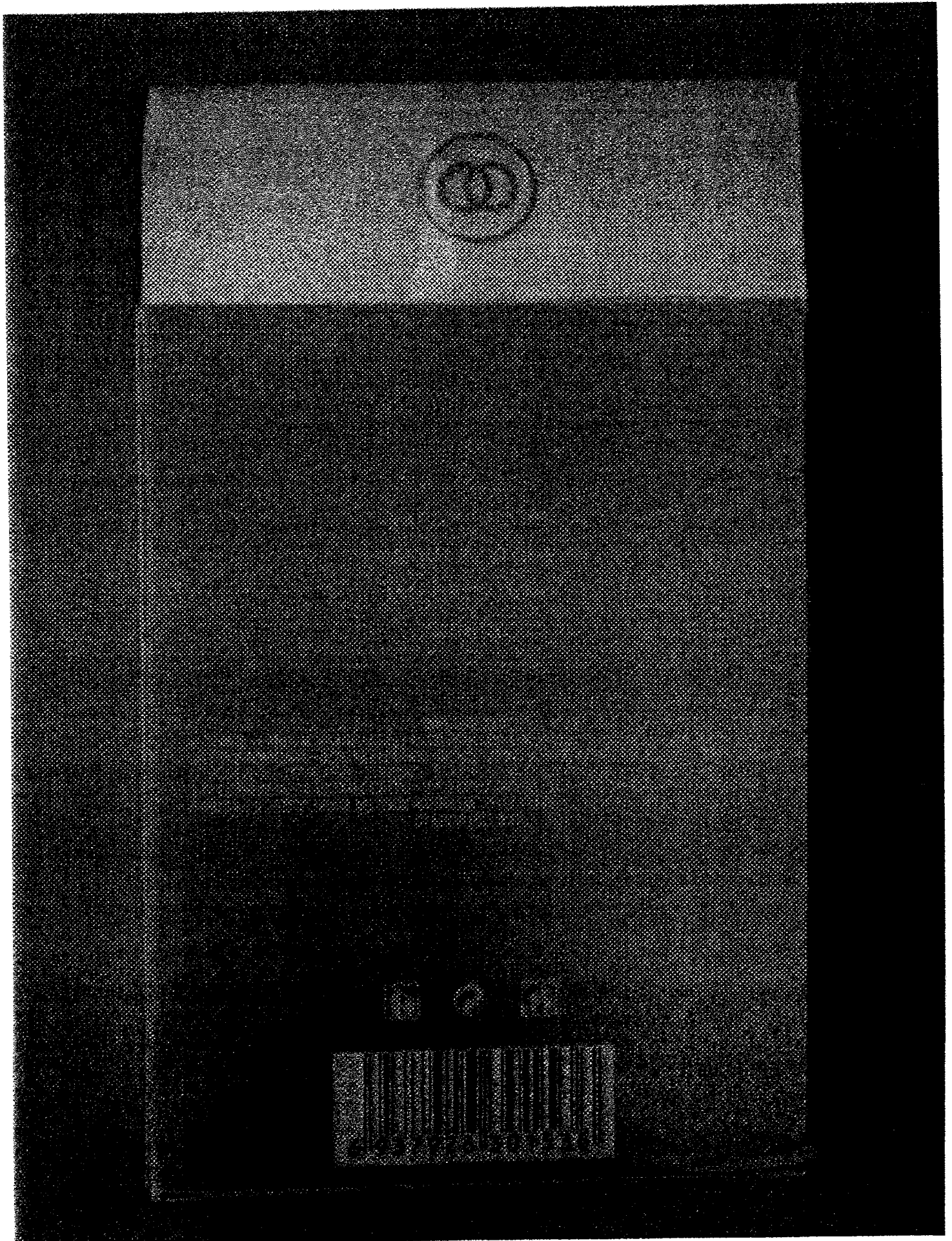
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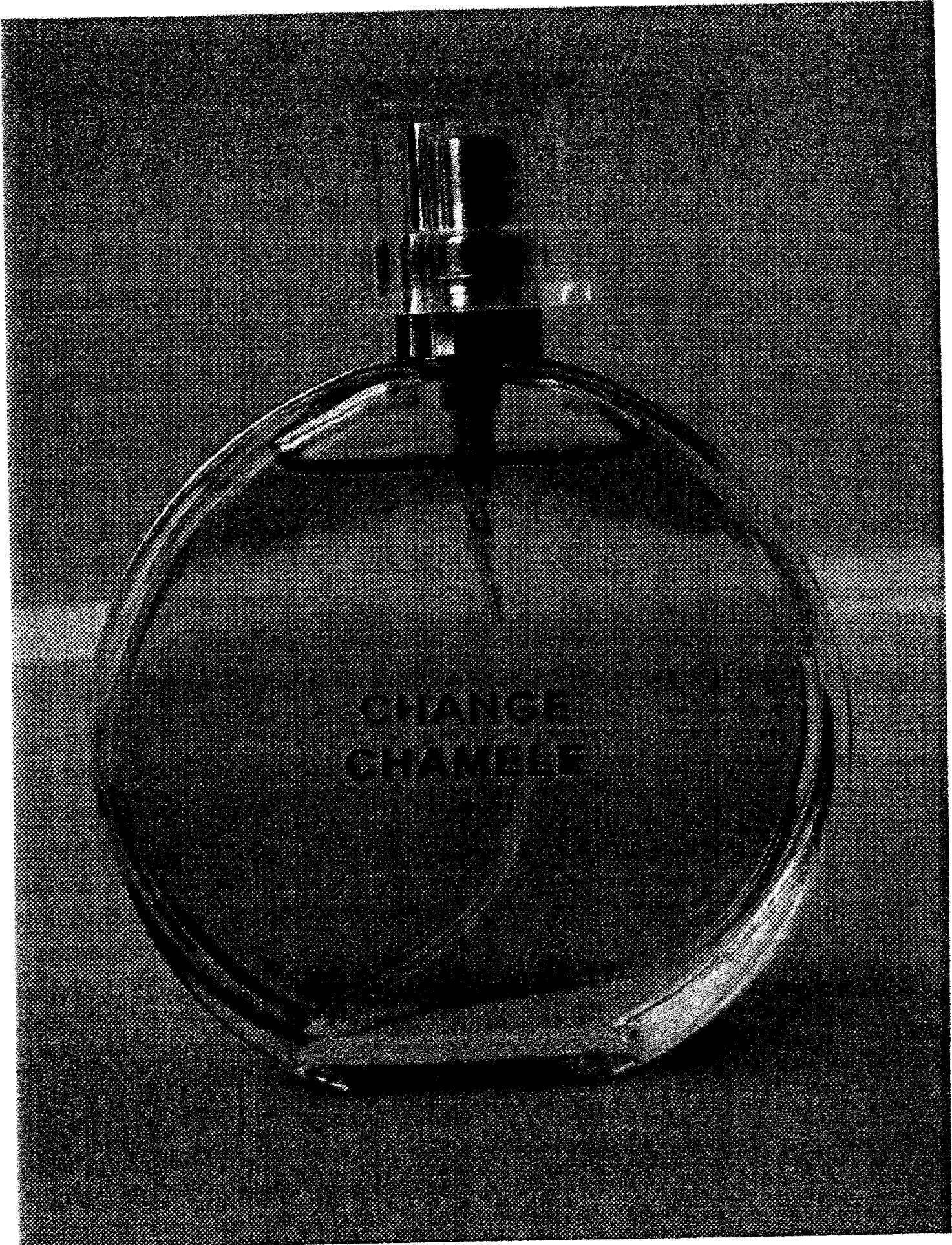
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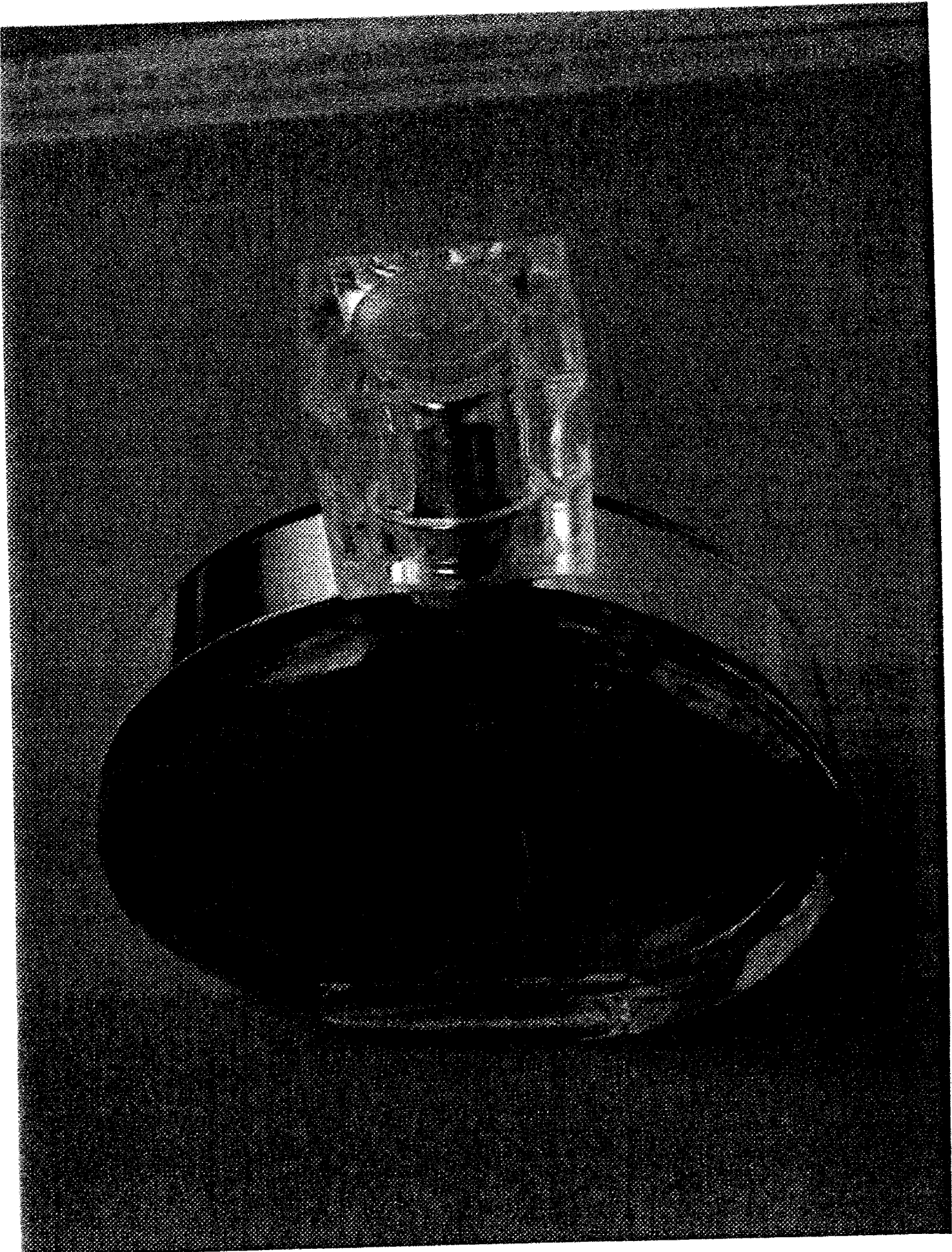
EXHIBIT A

CHANGE
CHAMELE

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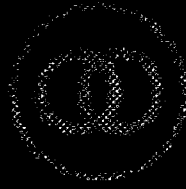




COOC
MADemoiselle

CHAMELE
PARIS

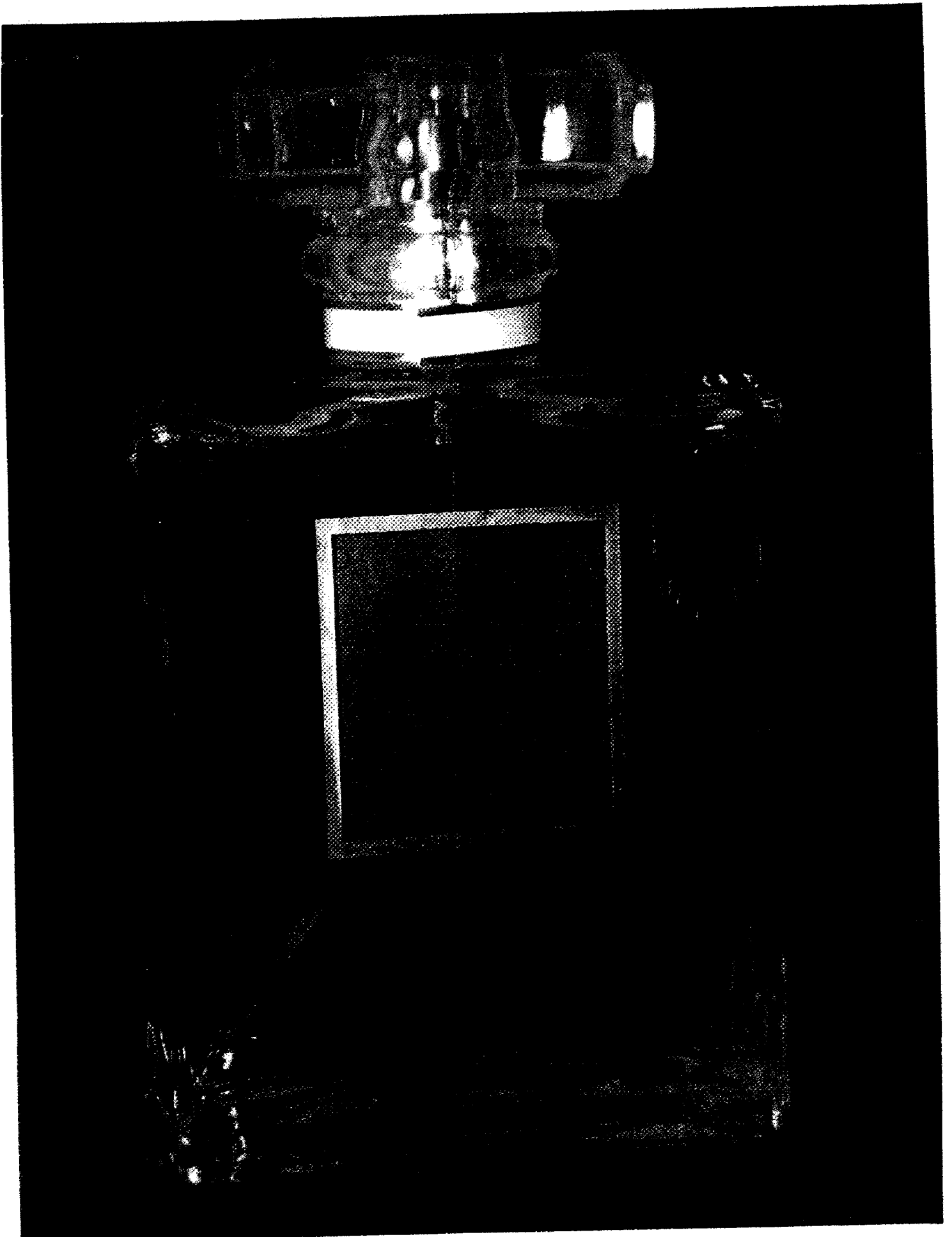
EAU DE PARFUM
100% ALCOHOL

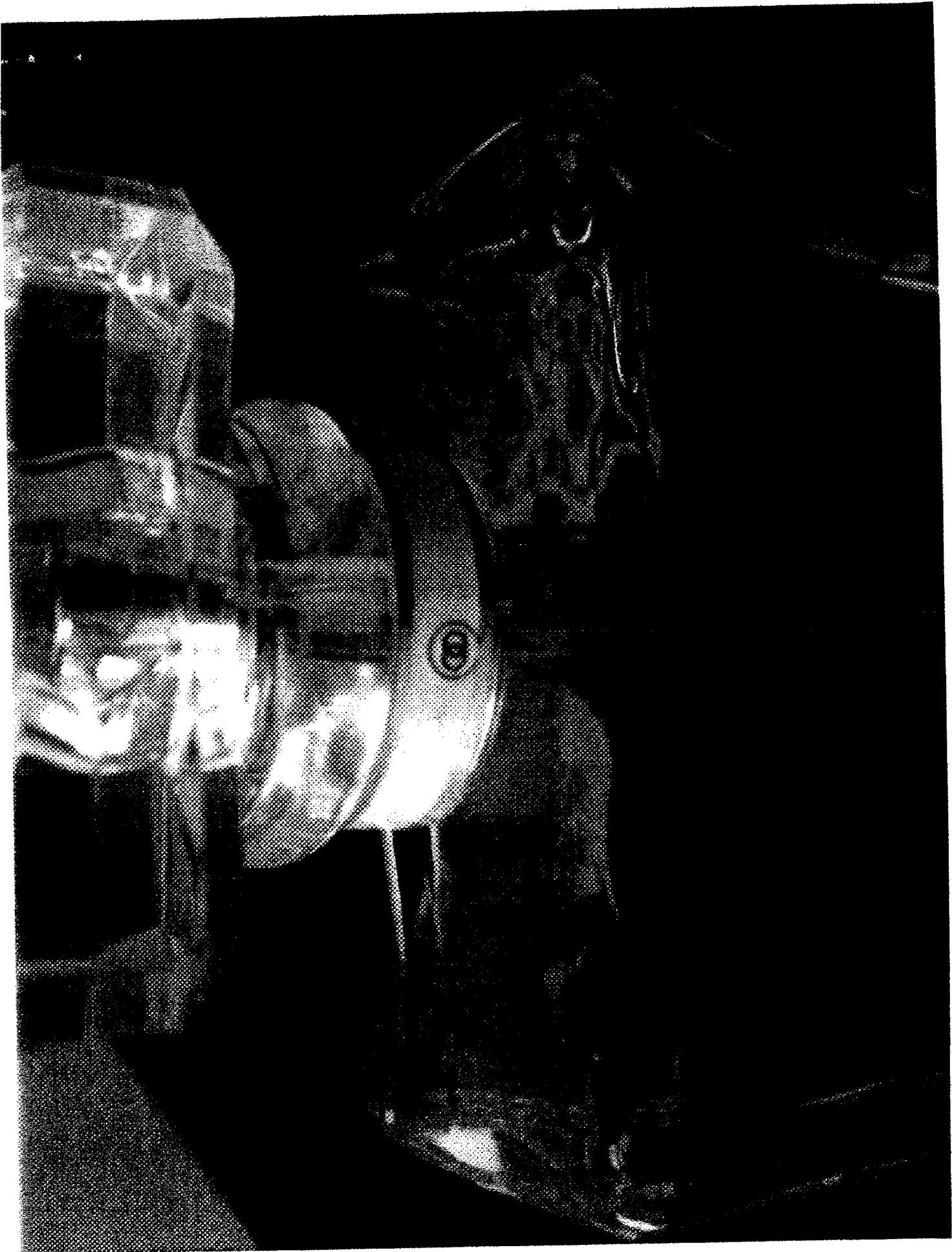


VAPORISATEUR NATUREL
NATURAL SPRAY
PUMP-RECRYSTALLISER
VAPORISATOR ZONDER RAS
VAPORIZATORE NATURALI
VAPORIZADOR NATURAL

RECHENKUNDE
RECHENKUNDE (WIRTSCHAFTSRECHENKUNDE)
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RECHENKUNDE (WIRTSCHAFTSRECHENKUNDE)







1 **PROOF OF SERVICE**

2 I am employed in the County of Los Angeles, State of California. I am over the age of
 3 eighteen and not a party to the within action, and my business address is Berry & Perkins (the
 "business"), 2049 Century Park East, Suite 950, Los Angeles, California 90067.

4 On July 25, 2008, I caused the following document to be served: on the interested parties in
 5 this action by placing a true and correct copy thereof enclosed in a sealed envelope addressed
 6 as follows: **FINAL ORDER ON CONSENT FOR PERMANENT INJUNCTION AND
 MONETARY RELIEF AGAINST DEFEDANTS PERFUME SOURCE, INC. AND
 MAHYAR RABBANIAN**

7 Sepehr Daghighian, Esq.
 8 LAW OFFICES OF SEPEHR DAGHIGHIAN
 433 N. Camden Drive, 4th Floor
 9 Beverly Hills, California 90210

10 **X** **BY REGULAR U.S. MAIL:** I am readily familiar with the business' practice for
 11 collection and processing of correspondence for mailing with the United States Postal
 12 Service; such correspondence would be deposited with the United States Postal Service
 the same day of deposit in the ordinary course of business. I know that the envelope was
 sealed and, with postage thereon fully prepaid, placed for collection and mailing on this
 date, following ordinary business practices, in the United States mail at Los Angeles,
 California.

14 — **BY FACSIMILE TRANSMISSION:** I sent a true and complete copy of the
 document(s) described above by facsimile transmission to the telephone number(s) set
 forth opposite the name(s) of the person(s) set forth above.

16 — **BY FEDERAL EXPRESS OVERNIGHT DELIVERY OR OTHER EXPRESS
 OVERNIGHT SERVICE:** I declare that the foregoing described document(s)
 17 was(were) deposited on the date indicated below in a box or other facility regularly
 maintained by the express service carrier, or delivered to an authorized courier or driver
 18 authorized by the express service carrier to receive documents, in an envelope or package
 designated by the express service carrier with delivery fees paid or provided for,
 19 addressed to the person(s) on whom it is to be served, at the address as last given by that
 person on any document filed in the cause and served on this office.

20 — **BY PERSONAL SERVICE:** I caused such envelope to be delivered by hand to the
 21 above address(es).

22 — **BY ELECTRONIC MAIL:** I caused such document to be delivered electronically to the
 e-mail address(es) above.

23 **X** **(Federal)** I declare that I am employed in the office of a member of the bar of this court
 24 at whose direction the service was made.

25 Executed on July 25, 2008, at Los Angeles, California.

26 /s/ *Kate E. Oyler*
 Kate E. Oyler